

## Message Text

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50

ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03 LAB-04

SIL-01 L-03 PA-01 PRS-01 SAJ-01 SAM-01 /087 W

----- 026059

R 021043Z JUL 75

FM AMEMBASSY WARSAW

TO SECSTATE WASHDC 5831

INFO AMEMBASSY MOSCOW

CONFIDENTIAL WARSAW 4166

E.O. 11652: GDS

TAGS: EFIN, PL

SUBJECT: PROSPECTS OF CONVERTIBILITY FOR POLISH ZLOTY

REF: WARSAW 1061; STATE 147677

1. THE POSSIBILITY OF MAKING THE ZLOTY CONVERTIBLE HAS NOT BEEN WIDELY DISCUSSED IN POLISH FINANCIAL AND TRADE CIRCLES SINCE DOUBLE-DIGIT INFLATION BEGAN TO PLAGUE THE ECONOMIES OF THE WEST. THE ONLY EXCHANGE-RATE ACTION WHICH SEEMS TO BE GETTING SOME ATTENTION CURRENTLY INVOLVES POSSIBLE ACTION TO SIMPLIFY POLAND'S COMPLICATED MULTI-RATE SYSTEM.

2. POLAND'S RAPID INCREASE IN TRADE WITH THE WEST, WHICH NOW ACCOUNTS FOR ABOUT 50 PERCENT OF ITS TOTAL TRADE, TOGETHER WITH THE SHARP RISE IN FOREIGN TRADE'S SHARE OF NATIONAL INCOME, MAKES SOME FORM OF CONVERTIBILITY INCREASINGLY DESIRABLE TO POLISH FINANCIAL AUTHORITIES. HOWEVER, THE WEST'S PROBLEMS OF INFLATION, RECESSION, AND INTER-NATIONAL-MONETARY UNCERTAINTY ARE FORCING A LONG, HARD LOOK AT THE ADVISABILITY OF MAKING SUCH PROBLEMS MORE RAPIDLY TRANSFERABLE TO THE POLISH ECONOMY THROUGH

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CONVERTIBILITY.

3. SOME FORM OF CONVERTIBILITY WOULD ALSO BE ATTRACTIVE  
TO THE POLES SINCE IT COULD PROVIDE THE ENTRANCE TICKET  
TO FUTURE DISCUSSIONS OF INTERNATIONAL MONETARY REFORM.  
THE POLES, AND WE ASSUME THE SOVIETS AS WELL, WOULD LIKE  
TO BE AT THE TABLE WHEN THE FUTURE ROLE OF GOLD AND AN  
ADDITIONAL DISTRIBUTION OF SDR'S ARE DECIDED.

DAVIES

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CONVERTIBLE FOREIGN EXCHANGE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 JUL 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975WARSAW04166  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750229-0300  
**From:** WARSAW  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Line Count:** 69  
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**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 WARSAW 1061, 75 STATE 147677  
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**Review Comment:** n/a  
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**Review Date:** 10 JUN 2003  
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**Subject:** PROSPECTS OF CONVERTIBILITY FOR POLISH ZLOTY  
**TAGS:** EFIN, PL  
**To:** STATE  
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